DOCUMENT RESUME

ED 432 502 SO 030 906

TITLE	MainXchange in the Classroom: The New Internet Stock Market Game. Teacher's Guide and Student Activities.
PUB DATE	1998-00-00
NOTE	45p.; Internet access is necessary to implement student activities.
AVAILABLE FROM	MainXchange, Inc., 2 North Dean Street, Englewood, NJ 07631-2807; Tel: 201-569-4343; Web site: www.mainXed.com
PUB TYPE	Guides - Classroom - Teacher (052)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Class Activities; Economics Education; *Educational Games; Educational Objectives; *Investment; Learning Activities; Money Management; Secondary Education; *Simulation; Social Studies; *World Wide Web
IDENTIFIERS	Interactive Systems; *Learning Across the Curriculum; *Stock Market

ABSTRACT

This teaching guide/student activities booklet, for grades 6-9 and 7-11, outlines an Internet-based stock exchange simulation that allows students to learn about the stock market in a fun format. The simulation (the "MainXchange") described in the booklet offers students the opportunity to engage in "real-life" investing, while exploring and learning about the industries, companies, and brands that interest them the most. It allows students to enjoy an exciting, interactive, and multifaceted program as they learn essential business, academic, and life skills. The educational goal of the MainXchange is for students to learn how to make informed business and investment decisions. The information students need to make such decisions is provided for them on-line; students can access many sources of information, including company capsule and financial reports, news releases, real world news (through a link with CNN Interactive), briefings, and links to companies' own Web sites. Sections in the booklet are: "What Is the MainXchange?"; "How the Teacher's Guide Is Organized"; "Time Frame"; "Skills Covered"; "Correlation of MainXchange Activities to National Education Objectives"; "Implementing the MainXchange in Your Classroom"; "Correlation of Activities to Academic Disciplines"; and "Answer Keys." (BT)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 432 502

MainXchange in the Classroom

Teacher's Guide and Student Activities

MX

Main change

www.mainXchange.com

The New Internet Stock Market Game

National Classroom Competition Sponsors:

Junior Achievement

NASDAQ AMEX

NYSE

BEST COPY AVAILABLE

SO 030 906

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

Jeanne Moellendick

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Trading floor of The New York Stock Exchange, photo supplied courtesy of NYSE.

Table of Contents

What Is the MainXchange? 3

How the Teacher's Guide Is Organized 3

Time Frame 4

Skills Covered 4

Correlation of MainXchange Activities to National Education Objectives 5-6

Implementing the MainXchange in your Classroom 7

Correlation of Activities to Academic Disciplines 10

1. How Much Do You Know? 11-13
2. Invest in the Language 14-19
3. Introducing...the MainXchange 20-21
4. To Buy or not to Buy 22-23
5. Overnight Success 24-26
6. Better Safe Than Sorry 27-30
7. Every Choice You Make 31-33
8. No News Is Good News 34-35
9. Keep an Eye on your Money 36-37

Answer Keys 38-39

Educational Advisory Board

Dr. Barbara Kurshan
Chief Executive Officer, Core Learning Group
Dr. Michael D. Usdan
President, The Institute for Educational Leadership
Arthur H. White
Vice Chairman, Yankelovich Partners, Inc.

Contributors

Polly Merdinger, Professor, Columbia University
Dr. Barbara Kurshan, CEO, Core Learning Group
Kevin Simms, Math/Technology Teacher, Roanoke City Schools
Editorial Development: Millman-Falk Communications, Inc.
Art & Design: Excalibur Graphics

Copyright ©1998 by MainXchange, Inc., 2 North Dean Street, Englewood, New Jersey 07631-2807. All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic, photographic, mechanical, or otherwise, including photocopying, recording, or by any information storage and retrieval system, without the prior written consent of MainXchange, Inc. Permission is hereby granted to reproduce materials in this book for non-commercial classroom use.

What Is the MainXchange?

The MainXchange is an Internet-based virtual stock exchange simulation that allows students to learn about the stock market in a fun format. With the MainXchange, students can engage in "real-life" investing, while exploring and learning about the industries, companies, and brands that interest them the most. The MainXchange also offers students opportunities to play games for fun and to win real prizes. In this way, the MainXchange allows students to enjoy an exciting, interactive, and multifaceted program, as they learn essential business, academic, and life skills.

More Than a Game

The educational goal of the MainXchange is for students to learn how to make informed business and investment decisions. The information they need to make these decisions is provided to them online. Students have access to many sources of information, including company capsule and financial reports, news releases, real world news (through a link with CNN Interactive), briefings, and links to companies' own Web sites.

After researching the companies that interest them, the students use $100,000 of their own "virtual money" to "invest" in stocks that are actually traded on the New York Stock Exchange, the American Stock Exchange, and NASDAQ.

The extensive array of in-depth information provided to students and the variety of educational activities provided in the Teacher's Guide are what make the MainXchange much more than a game.

How the Teacher's Guide Is Organized

The Teacher's Guide provides you with basic information about the MainXchange, the academic and life skills students will utilize, national education objectives that the sample lessons address, sample lessons and activity sheets, and an answer key for the worksheets. The **To The Teacher** section provides directions for implementing lessons in the classroom, applicable grade levels, time and materials needed, and interdisciplinary connections. Using information from the MainXchange, students can discuss investment issues, present their research findings, and *write up* their opinions on the various topics presented.

Activities in the Teacher's Guide are divided into three categories.

Preparatory Lessons include activities designed to assess students' prior knowledge of the stock market, get them to share information, introduce key business concepts and terminology, and introduce them to the MainXchange program. The preparatory lessons emphasize vocabulary skills needed to play the stock market game.

The preparatory activities also include retrieving information from the Internet and resources such as newspapers and magazines. Teachers may elect to use Activities 1 and 2 as post-tests of student knowledge after extended use of the MainXchange program.

MainXchange-Based Lessons include activities that promote both academic and life skills—research, critical thinking, public speaking, writing, and responsible investing. Students are given business problems to solve or investment options to consider. They work at the computer to find the facts they need to make informed decisions, which they must then explain either orally or in writing.

This section contains ideas for one-hour, week-long, and semester-long lessons in which students use the MainXchange to get their initial information. All of the lessons include a combination of in-class discussion and presentation activities, followed by writing assignments that may be done at home or in class. The in-class discussion and presentation activities are most effectively done in pairs or small groups.

Follow-Up Lessons are stock market-related activities that can be done after playing the MainXchange. They can be performed in class without using the computer. This section contains ideas for one-hour, week-long, and semester-long activities in which students apply all the information they have learned and think critically about how to solve the problems at hand. They are based on students' experience with the MainXchange, and their opinions, hypotheses and conclusions about the stock market.

All of the lessons include a combination of in-class reading, discussion, and presentation activities, as well as at-home reading, research, and writing assignments. The in-class discussion and presentation activities are most effectively done in small groups.

Time Frame

The MainXchange can be played for any length of time, from an hour to a year. Because of teachers' varying class schedules, the lessons suggested vary in length, from an hour to a semester. Feel free to use the activities that fit your particular time frame and academic goals.

Level

The lessons in this Teacher's Guide have been designed for students with varying levels of background knowledge about the stock market. Select the activities you wish to use based on your assessment of your students' prior knowledge, as well as on the specific skills (business, academic, life) you wish to emphasize.

It is our hope that your students will find the MainXchange an exciting way to learn about the stock market, and that you will find it an equally exciting way to teach!

Skills Covered

Academic Skills: Research, Critical Thinking

In order to make sound investment decisions, students must first research the companies that they are interested in as thoroughly as possible. They may use the many sources of information provided online at the MainXchange, as well as any other sources in the real world. Newspapers, books, television, radio, and annual reports are also good sources. Then students need to use their critical thinking skills to analyze the risks and benefits of each alternative, in order to make a final investment decision.

The MainXchange-based lessons and the follow-up lessons in this Teacher's Guide include problem-solving activities designed to promote research, critical thinking, and decision-making skills. They are followed by activities whose goals are to get students to explain and justify their decisions. They may do this orally, in a class presentation, or they may do it in writing—in memo, letter, or essay form.

Life Skills

As students engage in the virtual-investing process, enhancing their business and academic skills, they will be faced with many real-life issues, such as financial risk and responsibility. Students who are studying the stock market must be encouraged to think about these very real and important issues. Therefore, some of the lessons in the Teacher's Guide focus on analyzing degrees of risk and making responsible, as well as profitable, investment decisions.

Correlation of MainXchange Activities to National Education Objectives

The chart on the following page shows how the activities in this book correlate to the following national education objectives: Mathematics Objectives, published by the National Council of Teachers of Mathematics; Curriculum Objectives for Social Studies, published by the National Council for Social Studies; and Content Objectives in Economics, published by the National Council on Economic Education.

For those teachers interested in the broad themes addressed by these objectives, the following summary will provide an overview. For details on the performance expectations in the objectives, consult the objective documents for each discipline.

The MainXchange activities address the following mathematics objectives

- Mathematics as Problem Solving
- Mathematics as Communication
- Mathematics as Reasoning
- Mathematical Connections to Other Disciplines
- Number and Number Relationships
- Number Systems and Number Theory
- Functions
- Computation and Estimation
- Statistics

The MainXchange activities address the following social studies objectives

- Time, Continuity, and Change
- Individuals, Groups, and Institutions
- Production, Distribution, and Consumption
- Global Connections

The MainXchange activities address the following economics objectives

- Productive resources are limited
- Effective decision making requires comparing costs and benefits
- People respond predictably to incentives
- Markets exist when buyers and sellers interact
- Prices provide incentives to buyers and sellers
- Competition lowers costs and prices
- Institutions in market economies help individuals and groups accomplish goals
- Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services
- Investment can raise future standards of living

MainXchange Activities Correlation to National Standards

MainXchange Activities			Correlation to National Standards		
Group	#	Activity Title	Math Standards (NCTM)	Social Studies (NCSS)	Economics Content (NCEE)
Preparatory	1	How Much Do You Know?			Gr 7
	2	Invest in the Language	Gr 5-8: 2,5,6,10 Gr 9-12: 2,6		Gr 7, 10, 15
	3	Introducing...the MainXchange	Gr 5-8: 2, 10 Gr 9-12: 2		
MainXchange - based	4	To Buy...or not to Buy		Gr 2, 5, 7	Gr 7, 8, 10, 11, 15
	5	Overnight Success	Gr 5-8: 1, 2, 4, 5, 7, 10 Gr 9-12: 1, 2, 4, 6		Gr 4, 7, 8, 10, 11
	6	Better Safe Than Sorry	Gr 5-8: 1, 2, 4, 5, 7, 10 Gr 9-12: 1, 2, 4, 6	Gr 2, 5, 7	Gr 1, 4, 7, 8, 9, 10, 11, 15, 18
Follow-Up	7	Every Choice You Make	Gr 5-8: 2. 3, 4 Gr 9-12: 1, 4	Gr 7, 9	Gr 1, 2, 10, 11, 15
	8	No News Is Good News		Gr 7	Gr 4, 15, 18
	9	Keep an Eye on your Money		Gr 7, 9	

Implementing the MainXchange in your Classroom

The MainXchange is a fun and exciting way to get your students involved in learning about investing. Before introducing your students to the simulation for the first time, take some time to learn about the MainXchange yourself. The following provides you with the information you need to get you and your students up and running like real stock market pros.

Online Help

Both our Web site and the game itself offer a wealth of online help and information to help you make the most of your students' MainXchange experience.

On the Web Site

The home page at **http://www.mainXchange.com** provides you with everything you need to know about the simulation experience. The MainXchange application can be ordered from the Web site or downloaded directly from the site. Registered users can launch the simulation and immediately begin playing. If you have any questions about the MainXchange, just visit our home page, click on **Contact Us**, and our friendly support staff will get back to you with an answer.

Within the MainXchange Simulation (Home Screen)

The Rules, represented by a whistle, features rules and instructions for playing on the MainXchange.
The Resource Center, represented by a graduation cap, includes information on how to buy and sell stocks, a list of **Frequently Asked Questions** (FAQ), and a **Glossary** of terms.
Personal Consultants, represented by a cartoon person, are available to answer your questions or give you help in a certain area.
Comments/Suggestions, represented by an envelope, are welcome. E-mail us with your questions or suggestions about the game.
Context-Sensitive Help is available through description and definition balloons that appear for virtually every term and feature within the MainXchange. Just move your cursor over a term, hold, and pull down the window for the definition.

Registering a MainXchange Account

Registering an account on the MainXchange is easy. Once you've installed the program, either select **Member Login** from the Web site, or click on the MainXchange icon on your desktop. Select **New User** from the log-in screen. Here you will be greeted by hosts who will walk you through the registration process. Once you've registered your account, be sure to write down your unique password. You can change this at a later time if you like. Please see the **Teacher's Lounge** at **www.mainXchange.com** for tips on registering multiple users.

Upon registration, you will receive 100,000 BuX to start your account, and you will be prompted to select a **Personal Consultant** who will remain with you throughout your experience to offer you help on the various features and key terms throughout the game.

The Home Screen of the MainXchange Simulation

The Home Screen is divided into six folders. Each folder is an entry point to the various functions of the game.

1. **The Bulletin Board** is the place to check out what is new on the MainXchange, from company news and prize information, to new game enhancements and features.

2. **The Prize Catalog** highlights some of the exciting prizes you can earn and ways you can earn them. As you play the game, you collect Xstars, which can be redeemed for prizes listed in the Prize Catalog.

3. **MXC Studios**, featuring Headline News from CNN Interactive, is your resource for finding out what's happening throughout the world. Get top headlines, and sports, entertainment, lifestyles, business briefs, and technology news from one of the world leaders in news and information.

4. **The Trading Floor** helps you keep track of the stock market with real-time (updated every 20 minutes) financial and stock quote information about the companies in your portfolio, or those you are interested in monitoring. You can search for any publicly traded company on the New York, American, or NASDAQ stock exchanges. Get stock quotes by company name or stock symbol. Once the MainXchange has retrieved the information, click **Stock Performance** to find out how that company's stock performed in the past. **Add** a company to the monitor, or **Remove** a company. Click **More** to find out which stock prices increased the most since the previous trading day, which went down, and to track the major stock market indices, including our own version, The MainXchange Index, featuring companies that are relevant to students.

5. **The Marketplace** is a fun and exciting way to learn about companies and to collect prize-winning Xstars along the way. The Marketplace is arranged like a board game and is divided into market sectors with which teens identify. Clicking on a sector provides an audio-video introduction to the sector, including a list of companies within the sector. Click on a company. Here you will find a brief profile of the company, including its stock exchange, current stock price, business description, and key executives. You will also find a row of icons featuring **Financial Information,** a financial profile of the company. **Stock Performance** provides a detailed graph showing stock performance on a daily, monthly, quarterly, or yearly basis. **Featured Companies** are listed in bold-faced type, and include more information in addition to the company profile: a short multimedia introduction and a number of additional icons to find out about company **Products and Services, Company News & Press Releases, Prize Information,** and information on **Key Executives.** To make your experience more exciting while in the **Marketplace,** look to the center of the game board, where you can test your wits in an exciting trivia game, discover new companies, learn about the stock market, or search for the company of your choice. In the **Roll-the-Dice Trivia,** click on the dice, and the flying Bumble Pig moves around the board. When it lands on one of the business sector categories, you get a trivia question that relates to companies in that sector. If you get it right, you collect Xstars that can be traded for valuable prizes from our Featured Companies. **Company Roulette** automatically searches companies at the touch of a trigger. Learn the ins and outs of the stock market in **Educated Guess,** a multimedia presentation on the basics of buying and selling stocks. **Search** allows you to find any publicly traded company by company name or stock symbol.

6. **My Portfolio** includes stocks you have purchased, how many shares you own, their worth, and the total value of your portfolio. The **Account History** screen details all transactions that have occurred and displays the (virtual) commission charge. **Orders on Record** shows the transactions pending. **Holdings** lists all the stocks you currently own, and details the value of your entire portfolio. Check your portfolio often, because share prices change all the time. Every time the price changes in the real stock market, it changes on the MainXchange as well.

Getting Around the MainXchange

At the bottom of your screen, you will find the MainXchange navigation bar, which includes, from left to right:

M.....Automatically launches your browser and takes you to the Web site of the MainXchange.

GO.....A launch menu to all the areas of the MainXchange, including a Resource Center where you can learn the nuts and bolts of stock market investing, our list of Frequently Asked Questions (FAQ), and a Glossary of key financial terms. You can also set up or change your Preferences, including which consultant you want, volume control, and other helpful functions.

BACK.....Takes you to the previous screen.

QUIT.....Exits you from the MainXchange application.

Your Personal Consultant.....Gives you help and advice on how to play the game.

Total Value/Xstars/ BuX Indicator.....Keeps a tally of the value of your portfolio, cash (BuX) in your account, and the number of Xstars you have accumulated towards valuable prizes.

Online Stock Ticker.....An online display of the latest stock prices. Using your mouse, you can drag the ticker to the left or right to view a particular stock. The ticker automatically displays the stock prices for the companies you monitor on the Trading Floor.

XPASS Company Passport.....This is your key to unlocking the value of your Xstars. Before you can trade your Xstars for prizes, you must visit the Company Profiles in the Marketplace for each of the companies listed on the Passport. During each visit, be sure to click on the passport to get it stamped. When it is full, you are on your way to fabulous prizes!

Buy/Sell Order.....A global function that allows you to place a buy or sell order from anywhere within the MainXchange.

Buying and Selling Stocks

Once you have looked at a company and decide to buy, click on **Buy/Sell Order** from anywhere within the MainXchange to place your order. Put in the number of shares you want and select the type of order you wish to place. If you have a question, select the **Personal Consultant** for more information. To process the order, click on **Buy,** then **Confirm.** Follow the same procedure for selling. The MainXchange system will process the order and send the information to your portfolio.

Note: Stock information is updated with a 20-minute delay and may take additional time to process through the MainXchange server.

Correlation of Activities to Academic Disciplines

MainXchange Activities			Discipline				
Group	#	Activity Title	English	Computer Science	Social Studies	Economics	Math
Preparatory	1	How Much Do You Know?	X			X	
	2	Invest in the Language	X	X		X	X
	3	Introducing... the MainXchange	X	X			X
MainXchange -based	4	To Buy...or not to Buy	X	X	X	X	
	5	Overnight Success	X			X	X
	6	Better Safe Than Sorry	X		X	X	X
Follow-Up	7	Every Choice You Make			X	X	X
	8	No News Is Good News	X	X	X	X	
	9	Keep an Eye on your Money	X	X	X		

To The Teacher
How Much Do You Know?
Vocabulary

Activity Type: Preparatory Lesson

Objective: Students will improve their vocabulary of terms related to investing.

Grades: 6–9

Time Needed: 40 minutes

Interdisciplinary Connections
English, Economics

Suggestions for this Activity
1. This activity can be used to assess your students' level of knowledge about the stock market and related business concepts. It can be used as a "pre-test" and also as a "post-test" after several weeks of playing the game.
2. Students work alone, in pairs, or in small groups during class to answer the questions on the student page. Students can also do the worksheet as a homework assignment.

Answers
See Answer Key in back of guide.

Extensions
Thinking Cap: Have the students write down on a separate sheet of paper any other questions they might have or terms they would like defined relating to the stock market.

Name _____ Date _____

How Much Do You Know?

Vocabulary

Work with a partner or small group and answer as many of these questions as you can. If you can't agree on an answer, write down different possibilities.

1. What is the difference between cash and assets?

2. Which of the following are assets?
   A. a car
   B. stock in a company
   C. a rented apartment
   D. a U.S. Savings Bond

3. What is a corporation?

4. What is a stock?

5. Why do companies offer (sell) their stock to the public ("go public")?

6. When you own stock in a company, what exactly do you own?

7. What is the difference between current and fixed assets?

8. Real estate is an example of a(n) _____ asset.

9. Unpaid taxes and accounts payable are examples of _____ liabilities.

10. A bond is an example of a(n) _____ liability.

11. What is the stock market?

12. A stockbroker does the following: (check all that apply)
    - A. ____ holds an investor's money in a "cash account"
    - B. ____ sets the prices of stocks
    - C. ____ gives investors the current prices of stocks
    - D. ____ executes investors' orders to buy/sell stock
    - E. ____ can buy more stock for investors than they have the funds for in their cash accounts
    - F. ____ can trade investors' stock without notifying them in advance
    - G. ____ can hold investors' stock in "street name"
    - H. ____ gets a commission for every trade executed
    - I. ____ gets a commission only when an investor buys stock (not sells)

13. What determines the price of a stock?

14. What is a stock market index?

15. What are the advantages of keeping your money in the bank?

16. What are the disadvantages of keeping your money in the bank?

17. What are the advantages of investing your money in the stock market?

18. What are the disadvantages of investing your money in the stock market?

19. In the newspaper, all stock prices are listed in dollars and cents. (TRUE / FALSE)

20. The two basic types of stock are _____ and _____.

To The Teacher

Invest in the Language Vocabulary

Activity Type: Preparatory Lesson

Objective: Students will improve their vocabulary of investment terms needed to play the MainXchange game and will enhance their information retrieval skills using computers.

Grades: 7–11

Time Needed: 60 minutes

Interdisciplinary Connections

English, Computer Science, Economics, Math

Suggestions for this Activity

This activity is designed for students who may already have a basic understanding of the stock market. By researching the following questions, they can reinforce what they know. The information that students need in order to answer the following questions can be found on the MainXchange in two places:

- by clicking the Resource Center, to see the information in print
- by clicking the Consultant icon, to see or hear a"tutorial" on whatever screen is open.

One student uses the Resource Center, while a partner uses the On-Screen Consultant to get the information they need. Alternatively, one student can sit at the computer, while the other student sits nearby and fills in the answers on the activity sheet. For added incentive, you might suggest that students try to be the first pair to find the most answers.

Vocabulary

dividends, common stock, preferred stock, law of supply and demand, profits, diversification, blue chip, cyclical, recession, trading range, sales volume, closing price, balance sheet, assets, liabilities, retained earnings, net worth, solvent.

Answers

See Answer Key in back of guide.

Name _____ Date _____

Invest in the Language

Vocabulary Worksheet #1

Answer the following questions using the information provided by the MainXchange Resource Center, or click on the On-Screen Consultant to hear a tutorial on whatever topic about which you need to know more.

1. What are dividends?

2. Unlike common stock, preferred stock usually gives investors a guaranteed, set dividend. (TRUE / FALSE)

3. If a company is growing and earning profits, its stock tends to (RISE / FALL) in price.

4. The level of risk you take when you buy a stock depends mainly on the type of stock you buy. (TRUE / FALSE)

5. Investing in a large mature company is less risky than investing in a small, new, or troubled company, but the chance of making great gains is more limited. Why?

6. Why do stock market analysts recommend diversification of stock holdings as a way of managing risk?

7. A ratio many investors consider to evaluate a stock's attractiveness is its _____.

8. The Resource Center's "Eight Tools for Smart Investing" (choose all that apply)
   A. explain how to make the most money as quickly as possible.
   B. suggest various ways to make intelligent decisions about buying and selling stock.
   C. suggest ways to minimize risk for an investor.

9. Units of 100 shares (or multiples of 100 shares) are called _____.

10. Investors can ask their brokers to execute the following types of orders. Match the name to the description.

    A. GTC _____ buy or sell stock at a specific price until investor cancels order.
    B. Stop-Loss Order _____ buy or sell stock at best available price.
    C. Market Order _____ sell stock when the share price falls below a certain level.
    D. Stop-Profit Order _____ buy or sell stock at a specific price (or better).
    E. Limit Order _____ sell stock only if it rises above the "stop price," so the investor will take a profit.

Name _____ Date _____

Invest in the Language

Vocabulary Worksheet #2

Use this newspaper stock quotation to answer the following questions about the Coca-Cola Company on March 19, 1998.

52 Weeks Hi	Lo	Stock	Sym	Div	Yld %	PE	Vol 100s	Hi	Lo	Close	Net Chg
73 3/16	52	CocaCola	KO	.60	.8	46	44867	75	72 1/4	74 3/16	+ 2 3/8

I. In the past year, the price of stock in Coca-Cola varied:
A. less than $20 **B.** more than $20 **C.** more than $2.75

II. An investor holding 100 shares of Coca-Cola stock will earn _____ in dividends this year.
A. $.60 **B.** $2.40 **C.** $60. **D.** $ 240.

III. The day's high set a record for this year.
(TRUE / FALSE)

IV. If you wanted to purchase Coca-Cola stock on 3/20/98 when the market opened, about how much would you have to pay per share?

A. $75 **B.** $74.81 **C.** $74.19

V How many shares of Coca-Cola stock were traded on this day?

VI. Coca-Cola's stock closed (HIGHER / LOWER) than its price the previous day.

Name _____ Date _____

Invest in the Language

Vocabulary Worksheet #3

Answer the following questions using the information provided by the MainXchange Resource Center, or click on the On-Screen Consultant to hear a tutorial on a topic about which you need to know more.

1. Match the category of stock to its description.

A. defensive	____ Its price may fluctuate sharply, depending on changes in the economy.
B. growth	____ very large, mature company; relatively lower risk.
C. blue chip	____ companies with a very steady, reliable source of revenue; higher than average dividends.
D. cyclical	____ pays low dividends now, but stock is expected to rise in the future when company is more established.
E. income	____ very stable stock, especially resistant to recessions.

2. Utility companies are an example of which TWO categories of stock?

_____ & _____

3. Which category of stock performs the worst during an economic recession?
A. defensive **B.** growth **C.** cyclical

4. If a company's EPS rises at least 10% each year, the company is expected to have (SLOW / SOUND) growth.

5. Match these terms with their correct descriptions:

1. 52-week High/Low	____ company's abbreviation or exchange code
2. Stock Symbol	____ ratio showing the amount investors are willing to pay for a stock
3. Dividend	____ trading range for the last 52 weeks (in dollars and fractions of a dollar)
4. Yield	____ the day's sales volume (in 100s)
5. P/E	____ measures stock's current income return, i.e., yield on the investment (in percent)
6. Volume	____ price fluctuations during that trading day
7. High/Low	____ the annual payment per share to stockholders (in dollars)
8. Close	____ the difference between a stock's closing price on one trading day and the preceding day
9. Net Change	____ the day's final sale price of a stock

Name _____ Date _____

Invest in the Language

Vocabulary Worksheet #4

Answer the following questions using the information provided by the MainXchange Resource Center, or click on the On-Screen Consultant to hear a tutorial on a topic about which you need to know more.

1. A company's annual report contains a balance sheet, which shows the company's assets and
   A. losses **B.** loans **C.** liabilities

2. How is the company's shareholders' value or net worth determined?

3. Name five things an investor needs to look at to determine a company's financial strength.
   1. _____
   2. _____
   3. _____
   4. _____
   5. _____

4. A company's statement of income is one of the most important ways to measure profitability.
   (TRUE / FALSE)

5. In what ways are the American Stock Exchange and the New York Stock Exchange the same? _____

   How are they different? _____

6. Most U.S. stocks are those of small companies, "small cap," with growth potential.
   (TRUE / FALSE)

7. To analyze a company, investors should compare its current value and performance to: (choose as many as apply)
   A. its past value and performance
   B. other companies in the same industry
   C. similar-sized companies in different industries

21

8. A company's annual report gives information about its performance only in the past year.
(TRUE / FALSE)

9. How is NASDAQ different from the New York Stock Exchange and the American Stock Exchange? _____

10. The third-largest stock market in the world is the Tokyo Stock Exchange.
(TRUE / FALSE)

11. Which two terms refer to the same thing?
A. NYSE **B.** OTC market ("over the counter") **C.** Wall Street **D.** NASDAQ **E.** AMEX

12. Most U.S. stocks are traded on the New York Stock Exchange.
(TRUE / FALSE)

13. How can you determine whether a company:

A. is solvent?	____ Add cash on hand + accounts receivable and divide by current liabilities
B. is profitable?	____ Look at its 10K Report
C. can pay its immediate debt?	____ Divide current assets by current liabilities
D. is involved in any legal proceedings?	____ Divide net profit by sales

Thinking Cap

Are the following factors that affect stock prices *extrinsic* or *intrinsic*?

In the first column, write **E** or **I**.

Which of these factors make stock prices go *up*? Which factors make them go *down*? In the second column, write U or D.

Factors	Extrinsic or Intrinsic?	Up or Down?
A. A U.S. president dies	____	____
B. A company announces increased dividends	____	____
C. Raw material prices increase	____	____
D. Oil prices decline	____	____
E. An acquisition plan fails	____	____

To The Teacher

Introducing ... the MainXchange
Introduction to the MainXchange

Activity Type: MainXchange-Based

Objective: Students will become familiar with the MainXchange while investigating stocks online.

Grades: 7–11

Time Needed: One to two days

Interdisciplinary Connections

Computer Science, Math, English

Suggestions for this Activity

1. This activity is designed to give students hands-on practice with the MainXchange. They will also gain experience in researching a company and deciding whether or not it would be a good investment opportunity.
2. Divide the class into two groups. Have them research the Donna Karan Company and the Tommy Hilfiger Company, in order to decide which company is a better investment option. Have each student work independently to gather as much information as possible. The students then group according to the company they researched.
3. The students then share what they have found out about the two companies, so each student can make an informed decision about which company to invest in. Have the students write a paper explaining their choice and use the data collected to support their decision.

Extensions

Thinking Cap: As the students become familiar with the MainXchange, they will be able to do more independent research on a variety of companies that interest them.

Name _____ Date _____

Introducing... the MainXchange

Introduction to the MainXchange

You are considering purchasing stock in a fashion design company. You think that **Donna Karan** and **Tommy Hilfiger** might both be good investment options. You need to decide which company is the better choice. Use the MainXchange to research one of the two companies and be ready to share what you find with the class.

Step 1: After logging in to the MainXchange, follow the directions below to get started. Record your answers on the worksheet.

Information needed	How to find it at the MainXchange
What the company does and what is its financial profile?	Click "Look up" to read the company profile and financial profile and see its current trading price.
What world, national, local, and industry news might affect the company's performance?	Click "MXC Studios" to read about current events.

Step 2: Compare the information you found with other students who researched the same company. Determine as a group the advantages and disadvantages of investing in your company.

Step 3: After the class has discussed the two companies, you are to write a paper on which company you have decided to invest in. Explain your reasons clearly and give examples to support your position.

Thinking Cap

You can research additional companies that interest you using the MainXchange.

To The Teacher

To Buy or not to Buy
Research and Analysis

Activity Type: MainXchange-Based
Objective: Students will investigate a company to determine its earning potential and make decisions on investing.
Grades: 7–11
Time Needed: Three days to a week

Interdisciplinary Connections

Social Studies, Technology, English, Economics

Suggestions for this Activity

1. The students decide which three stocks they want to investigate. To ensure a successful project, encourage them to pick companies with which they are familiar.
2. The MainXchange, Yahoo! Finance, and Pointcast Business Network are three places the students may look for the information they will use to make an informed decision. There are numerous other sites on the Internet to search for information. Encourage the students to use the resources in the library also.
3. The students can use a "pros and cons" approach in looking at each company in order to weigh the information they find. Have the students write an essay and present their decision to the class.
4. Have the class decide which company is the best in which to buy stock, and track it to see how it performs over a period of time.

Extensions:

Thinking Cap: Have students design a presentation using technology. For example, produce a slide show in Microsoft PowerPoint, with a picture of the company's products, charts that track the company's earnings, and information to persuade the rest of the class to invest.

Name _____ Date _____

To Buy or not to Buy

Research and Analysis

There are many reasons you can find to buy a company's stock. Information to look for includes the company's holdings (subsidiaries), its products and services, its financial status, its track record of earnings, and current events. For most companies, all of this information can be found on the Internet, if you know where to look.

The MainXchange has this information available on some companies you may find of interest. Pick three companies you would like to know more about and research them using the MainXchange, search engines, newspapers, and magazines. Correspondence with the companies you choose can be very informative, although sometimes time-consuming.

You are going to use the information you collect to persuade the class to invest in one of your companies. You will need to write an essay that details the reasons for your choice. After everyone has made a brief presentation, the class will pick a stock.

Be prepared to defend your choice! Everyone is going to try to talk you into buying their stock picks also.

Company 1	Company 2	Company 3
Pros	**Pros**	**Pros**
_____	_____	_____
_____	_____	_____
_____	_____	_____
Cons	**Cons**	**Cons**
_____	_____	_____
_____	_____	_____
_____	_____	_____

Good Luck! & Have Fun!

After careful evaluation of the facts, I chose _____ as the best stock investment.

Thinking Cap

You can use media technology to produce a presentation of your findings.

To The Teacher

Overnight Success
Short-Term Investment Analysis

Activity Type: MainXchange-Based

Objective: Students will determine the suitability of stocks for short-term investment.

Grades: 7–11

Time Needed: One to two weeks

Interdisciplinary Connections

Social Studies, Math, English, Economics

Suggestions for this Activity

1. The students decide which stocks they want to investigate and track. They will naturally want to choose some of the more common and popular companies such as McDonald's and Nike. These stocks tend to be very stable and usually do not fluctuate drastically in price. The Price to Earnings Ratio (P/E Ratio) can be used to decide what stocks to initially invest in.
2. The Price to Earnings Ratio (P/E Ratio) is a comparison of the current price of a stock to its Earnings per Share (EPS). The P/E ratio reflects a company's expected future EPS growth. Generally, the greater the expected growth, the higher a stock's P/E will be. High-P/E stocks generally are more volatile than low-P/E stocks. Consider the following equation:

   Stock Price = P/E x EPS

   According to this formula, every change in expected Earnings per Share (upwards or downwards), affects the Stock Price of a company which has a high P/E more than the Stock Price of a low-P/E company, assuming that the Price to Earnings ratios remain constant. Therefore, any bit of news that affects the expected EPS of a high-P/E company may cause its stock price to swing dramatically. Volatility is considered a good quality in a stock if you are looking for a short-term investment. With high volatility, there is a greater chance that a stock will increase in value in a short period of time. (Beware: there is also a greater chance that the stock will fall in a short time frame!) When you make a short-term investment in stock, you purchase shares in hopes that the price will rise quickly so you can then sell the shares to make a profit.
3. The students pick three stocks to track for several weeks. Have them take into account the nature of the company's business, current events, and the P/E.
4. The students then calculate how much money they have made or lost as part of a culminating activity. Have the students determine which stocks are good candidates for short-term investment and write an analysis of their findings in support of their decision.

Extensions

Thinking Cap: Have the students chart the progress of the stocks they have chosen and see if a longer time period supports the decisions they made about short-term investment in each company.

Name _____ Date _____

Overnight Success

Short-Term Investment Analysis

The Price to Earnings Ratio (P/E Ratio) is a comparison of the current price of a stock to its Earnings per Share (EPS). Generally, changes in expected Earnings per Share (upwards or downwards), affect the Stock Price of a company which has a high P/E more than the Stock Price of a low-P/E company, assuming that the Price to Earnings ratios remain constant. With this in mind, the P/E ratio can help you select short-term investments. When you make a short-term investment in stock, you purchase shares in hopes that the price will rise quickly so you can then sell the shares to make a profit.

The trick is to catch a stock as it is going up in price and sell after you have made a reasonable profit.

List several companies with high P/E Ratios below and track their progress for several days. Pick a company with a low P/E Ratio and track its progress also.

Company	P/E Ratio	Beginning Price	End Price	Change

Pick three stocks and track them for two weeks. Use the information about the P/E Ratio, current events, and the company's products or services to help you decide which stocks will perform the best in that time period.

Example: Jansen may have a relatively high P/E Ratio of 21, but in the middle of winter its bathing suit sales are not likely to create enough interest in the company to boost the stock price.

BEST COPY AVAILABLE

Name _____ Date _____

Overnight Success

Short-Term Investment Analysis

Fill in the chart below and use the information to evaluate your stocks for short-term (S/T) investment potential.

Company	P/E	Original Price	Ending Price	Change	S/T Potential

Calculate what would have happened if you had invested $10,000 in each of the above companies. Use the worksheet below.

Formulas: 10,000 / Original price per share = Number of shares you can buy.
Number of shares x Ending price per share = Stock Value.
Stock Value – $10,000 = Profit or Loss.

Company	Original price per share	Number of shares	Ending price per share	Stock Value	Profit/Loss

What investment decisions did you use to pick your most successful stock?

Did you use the same investment decisions to pick your least successful stock?

If not, what did you do different?

Is tracking a stock for two weeks enough time to make a buy or sell decision?

Thinking Cap

Chart your stock's progress and report when significant changes occur. If possible, relate the changes to current events.

BEST COPY AVAILABLE

To The Teacher

Better Safe Than Sorry
Long-Term Investment Analysis

Activity Type: MainXchange-Based
Objective: Students will determine the suitability of stocks for long-term investment.
Grades: 7–11
Time Needed: One semester

Interdisciplinary Connections

Social Studies, Math, English, Economics

Suggestions for this Activity

1. The students decide which stocks they want to investigate and track. They will naturally want to choose some of the more common and popular companies such as McDonald's and Nike. These stocks tend to be very stable and do not fluctuate drastically in price. Have the students also pick three stocks that are less common and more volatile.
2. The students do online research on the companies they have chosen. Have them look for annual earnings reports, high and low prices for the year, and the Price to Earnings Ratio (P/E Ratio). The students can use the MainXchange, Yahoo! Finance, Pointcast Business Network, and similar Web sites to collect information.
3. The students track the stocks they have chosen and graph the price per share at whatever agreed-upon interval you select. The graphs will give the students a visual representation of the activity of each stock and an easy way to compare volatility and the trend a stock is following.
4. Have the students determine which stocks are good candidates for long-term investment and write an analysis of their findings in support of their decision.

Extensions

Thinking Cap: Have students continue to monitor the stocks they have chosen to see if a longer time period supports the decisions they made about long-term investment in each company.

Name _____ Date _____

Better Safe Than Sorry

Long-Term Investment Analysis

At a young age, Henry had a large amount of cash due to an inheritance from a long-lost relative. Although Henry's first impulse was to go wild and spend it all, he listened to reason and decided that investing the money would likely afford him a financially secure future.

The Dilemma — What kind of stocks can Henry invest in that are more likely to increase steadily over time and be less likely to cause him to lose his new-found wealth?

The Plan — Use the Internet, newspapers, and reference resources to research companies in which you are interested in recommending to Henry. Fill in the chart below for three companies with which you are familiar, and three companies about which you would like to learn more.

Company Name	Symbol	Current Price	Year Low/High	P/E Ratio
1.				
2.				
3.				
4.				
5.				
6.				

BEST COPY AVAILABLE

Name _____ Date _____

Better Safe Than Sorry

Long-Term Investment Analysis

Use the space below to list some of the more interesting holdings (subsidiaries) of the companies you have chosen to track.

Company	Holdings

Use the grids your teacher gives you to chart the stock prices of your companies over a 9-week period. Use one grid for each company, so you can set the price range to fit the axis. At the end of the 9 weeks, determine whether Henry should have invested in your choices.

Which companies should Henry invest in?

What happened to the companies you did not recommend?

Which company fluctuated in price the most over the tracking period?

Was the P/E Ratio a good indicator of each stock's performance?

If not, for which companies and why?

Did the price of any stocks ever rise above or fall below the Year Low / High?

If so, which ones and by how much?

THINKING CAP

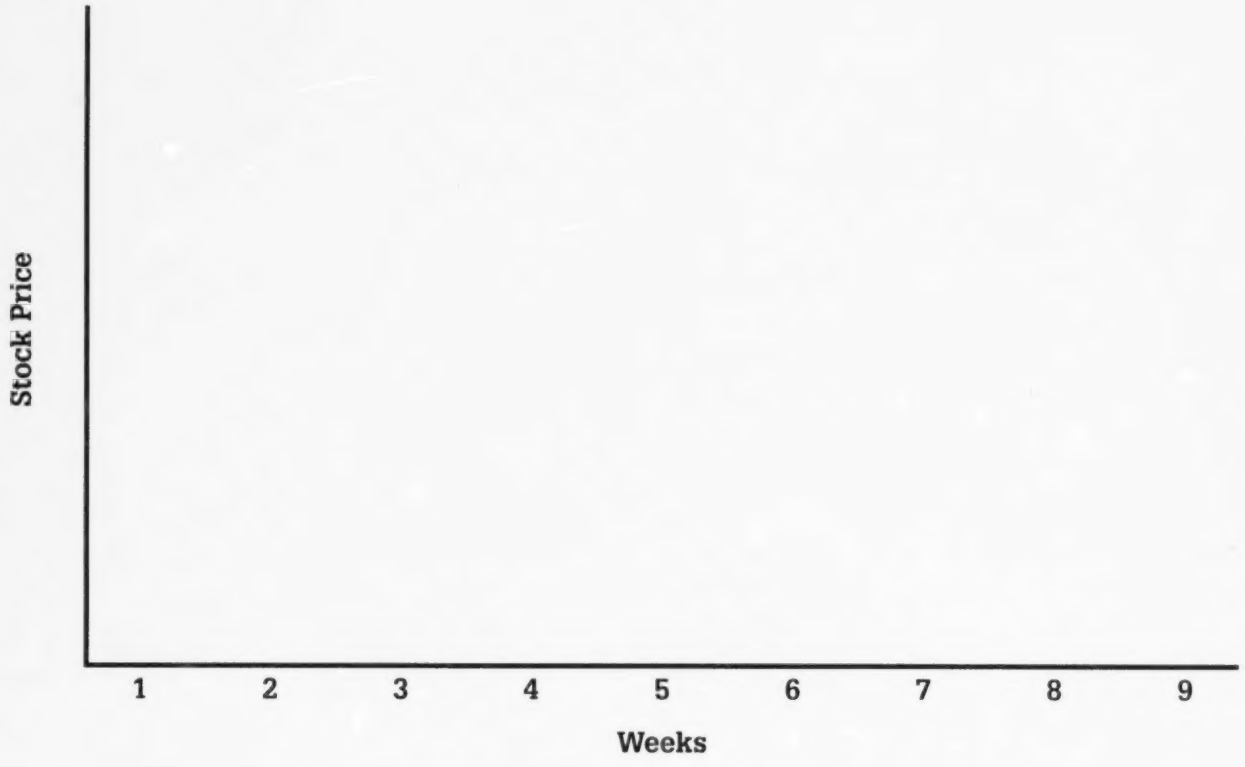
Track your stocks over a longer time period to see whether the decision you made about the long-term investment continues to be accurate.

Name _____ Date _____

Better Safe Than Sorry

Long-Term Investment Analysis

The following grid can be used to track your stock's progress by the week. You will have to determine the numbers to use on the Stock Price axis based on the beginning price of the stock.



Reproduce the grid above for each stock you are tracking. The Weeks axis can be changed if you are recording the stock more or less often. The Stock Price axis will probably be different for each stock you track, based on its initial cost.

Graph paper is also an option that will allow you to design a grid that is more detailed and suited to your needs.

To The Teacher

Every Choice You Make
Opportunity Cost vs. Gain

Activity Type: Follow-Up

Objective: Students will determine the Opportunity Cost vs. Gain when making decisions.

Grades: 7-11

Time Needed: One to two hours

Interdisciplinary Connections

Social Studies, Math, Economics

Suggestions for this Activity

1. **Opportunity Cost** is the value you do not receive from any action due to choosing something else.

EX: When a homework assignment is due, you choose to complete it versus go to the mall with your friends. The **Opportunity Cost** is the forfeited time you would have had with your friends.

Gain is the benefit you receive from your choice.

EX: When a homework assignment is due, you choose to complete it versus going to the mall with your friends. The **Gain** is the good grade and the knowledge you receive from the completed assignment.

2. Have the students complete the first activity and compare their choices with the class. Have them share their justification for their decisions and reach a group consensus on which activities are the better choices.
3. The students do this activity in class or as a take-home project. After they have presented their choices, have them consider what they could purchase from their **Extra Items** list if they gave up one of their more expensive **Purchases**.
4. Give students the opportunity to role-play a decision-making scenario regarding investment. Encourage them to use an Opportunity Cost vs. Gain approach as they try to persuade their partner.

Extensions

Thinking Cap: Have the students simulate a debate by choosing which side of an issue they want to defend and have them list the Opportunity Cost and Gain for their topic.

Name _____ Date _____

Every Choice You Make

Opportunity Cost vs. Gain

There is always a cost when you make a decision. Life is full of choices, and every day you choose to do one activity or buy one product rather than do or buy something else. The cost may be as small as not getting to watch TV, or could be the difference between your academic grade being exceptional and poor.

Opportunity Cost — is the forfeited value you would have received from an action if you had not chosen to do something else instead.
Gain — is the benefit you receive from your choice.

Determine below which choice you would make in each situation and be prepared to explain your Opportunity Cost and Gain.

CHOICE

1. Working on a school project that is due.
   Going to the video arcade with some friends. _____

2. Buying a pair of expensive sneakers.
   Saving your money for your summer vacation. _____

In both situations above an argument can be made for the activity you chose. Can you see both sides for Opportunity Cost and Gain?

When you spend money you have to make choices that affect your Opportunity Cost and Gain. Use the Internet, catalogs, and newspaper ads to decide what you would spend a large sum of money on, let's say $10,000. Make a list of your purchases and their costs. Also, make a list of several items you would also like to have if you had more money (extra items).

Purchases		Extra Items
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Which items above did you choose to purchase that forced you to forfeit something else?

Name _____ Date _____

Every Choice You Make

Opportunity Cost vs. Gain

Work with a partner to complete the activity below. You are to decide whether to invest in a company's stock or spend your money on material things.

In Columbia Falls, Montana, a large number of employees of a local aluminum plant have just won a lawsuit against their employer. The awards that the employees will receive range from $100,000 to $250,000 each. Investment brokers from around the country have been contacting the winners of the lawsuit by phone, letter, and visits, hoping to interest them in the stock market. While some employees seem interested, others are gearing up to buy new cars and other luxuries that they have been unable to afford until now.

Pick a role and try to persuade your partner that your advice should be taken.

Roles

Aluminum Plant Worker — You have been driving an old, broken-down car because you haven't been able to afford to buy a new one. You haven't had a vacation in three years. You and your family live month-to-month, worrying about how you are going to pay your bills.

Investment Advisor — You work for a major investment company. You will get a huge promotion if you are successful in convincing Columbia Falls employees to invest their money. You have also been warned that failing at this task will lead you to the unemployment line.

Both people should use an Opportunity Cost vs. Gain approach to persuade the other side they are making the right decision. On a separate sheet of paper list the "Costs and Gains" for your argument and then present them to your partner.

THINKING CAP

Create your own list of Opportunity Cost vs. Gain items on a topic and present them to the class in the form of a debate.

To The Teacher

No News Is Good News
News Analysis

Activity Type: Follow-Up

Objective: Students will analyze information in the news and explain the effect of the publicity on stock performance.

Grades: 7-11

Time Needed: One week or longer

Interdisciplinary Connections

Social Studies, English, Economics

Suggestions for this Activity

1. Students use MainXchange, the Internet, or any other news source, such as newspapers or other periodicals to find articles related to a company or product of their choice.
2. Students will determine whether articles have a positive or negative effect on their choice and group them accordingly.
3. Students will justify their grouping of the articles by choosing one positive and one negative example and explaining why they feel the way they do.
4. Have the students prepare two press releases. In one press release, describe an event that will cause customers or clients of the company to buy more stock. In the second press release, describe an event that will have a negative impact on the purchase of stock.

Extensions

Thinking Cap: Have the students pick an article that is seen to have a negative effect. Let them brainstorm possible solutions or actions that will halt this negative effect.

Name _____ Date _____

No News Is Good News

News Analysis

Use MainXchange to decide which company you would like to research. Once you have picked a company, search news services on the Internet and MainXchange for recent articles related to your product or organization.

Group your articles based on a positive or negative influence on your company. List your articles below:

Positive	Negative
_____	_____
_____	_____
_____	_____

Based on the news articles you found, think of reasons why a company's customers or clients would (a) buy more — positive effect or (b) buy less — negative effect. List your opinion for one positive and one negative article.

Positive Effect _____

_____

Negative Effect _____

_____

Now that you have looked at different articles and the effects that they can have on a stock, on a separate sheet of paper, write two press releases. One should have a positive effect on the company and the other a negative effect.

THINKING CAP

Choose an article that has a negative effect. Brainstorm possible solutions and actions that will "spin" the press in your favor.

To The Teacher

Keep an Eye on your Money
Annual Report Analysis

Activity Type: Follow-Up

Objective: Students will analyze information in a company's annual report to evaluate investment potential.

Grades: 7-11

Time Needed: Up to one marking period or semester

Interdisciplinary Connections

Social Studies, Reading, Writing

Suggestions for this Activity

1. Have students obtain copies of annual reports of companies whose stocks they are tracking, or of companies in which the students are interested.
2. Have the students read annual reports from two or three companies. As they read, students identify negative and positive information found in the annual reports. This will help them to decide which companies are good investments.
3. After the students have finished the Read and Discuss portion of the activity, have them generate questions they would use to interview a representative from their chosen company.

Extensions

Thinking Cap: Students research their chosen company online and find the e-mail address for either the Public or Investor Relations department. Have them compose a letter that includes their questions and send it. When replies are received, the students present their information to the rest of the class.

Name _____ Date _____

Keep an Eye on your Money

Annual Report Analysis

Send away for the annual reports of local companies, or the companies in which you are most interested.

Read and Discuss

In small groups, read and discuss the annual reports of two or three companies.

Which companies are good investment risks? _____

Why? _____

_____

_____

If you had to invest in one, which would you choose? _____

Activity

Your group has been selected to interview a public relations representative from the company in which you are going to invest. Decide on three questions you would like to ask.

(**HINT**: Think about past performance, future outlook, and information that is not presented in the annual report.)

1. _____

_____

2. _____

_____

3. _____

_____

THINKING CAP

Research your company online. Find the physical or e-mail address for either Public Relations or Investor Relations and send them your questions.

Answer Key How Much Do You Know?

1. Cash is ready money, such as bills and coins, as well as money on deposit. Assets are things that are owned and that have value, such as cash, property, equipment, or real estate.
2. A, B, D
3. A corporation is a group of people legally empowered to act as a body distinct from the individuals in the group.
4. A stock is a portion of a company's equity.
5. Companies sell stock to raise additional capital to grow a company or business.
6. You own a piece of that company (its profits, buildings, land, equipment, etc.)
7. Current assets are assets with expected lives of less than one year. Examples include cash, cash equivalents, and inventories of goods. Fixed assets are long-term assets. Examples include machinery, buildings, and real estate.
8. Fixed
9. Current
10. Long-term
11. The stock market is a marketplace where buyers and sellers interact for the purpose of buying and selling company stocks.
12. A, C, D, E, G, H
13. The law of supply and demand determines the price of the stock. Prices go lower when shareholders sell, and prices rise when many investors want to buy.
14. A stock market index is an average, counted in points, used to determine the performance of the stock market.
15. Your bank deposits are insured against loss by a federal government agency.
16. Your deposits usually do not gain in value as quickly as other investments do.
17. Your stocks may gain in value more quickly than money in bank deposits.
18. Your stocks may lose value; your losses are not insured.
19. FALSE
20. Common and preferred

41

Answer Key Invest in the Language

Worksheet #1:

1. Dividends are a portion of a company's retained earnings that are paid to shareholders.
2. TRUE
3. RISE
4. TRUE
5. A mature company isn't likely to grow rapidly and have its stock rise quickly in value.
6. Because you can increase the likelihood that some of your stocks will rise in value, even if others fall.
7. P/E (Price/Earnings) Ratio
8. B and C
9. Round lots
10. A, C, B, E, D

Worksheet #2:

I. B **IV.** C
II. C **V.** 4,486,700
III. TRUE **VI.** HIGHER

Worksheet #3:

1. D, C, E, B, A
2. Income and defensive stocks
3. C. cyclical
4. SOUND
5. 2, 5, 1, 6, 4, 7, 3, 9, 8

Worksheet #4:

1. C. liabilities
2. Assets minus liabilities equal net worth
3. A company's financial strength is determined by its:1. EPS, 2. P/E ratio, 3. dividend yield, 4. dividend payout, 5. book value
4. TRUE
5. Both are physical places where stocks are traded. The NYSE is larger and more prestigious. It lists stocks of the largest, soundest companies. The AMEX trades stocks of medium-sized companies.
6. TRUE
7. A and B
8. FALSE
9. NASDAQ is an electronic, computerized marketplace, whereas the NYSE and AMEX are physical marketplaces.
10. FALSE (NASDAQ)
11. B and D
12. FALSE (NASDAQ)
13. C, D, A, B

THINKING CAP:

A. E, D, **B.** I, U **C.** E, D, **D.** E, U **E.** I, D

The Talk of Wall Street

The New Internet Stock Market Game

Compete to win

eXcellent prizes

and become

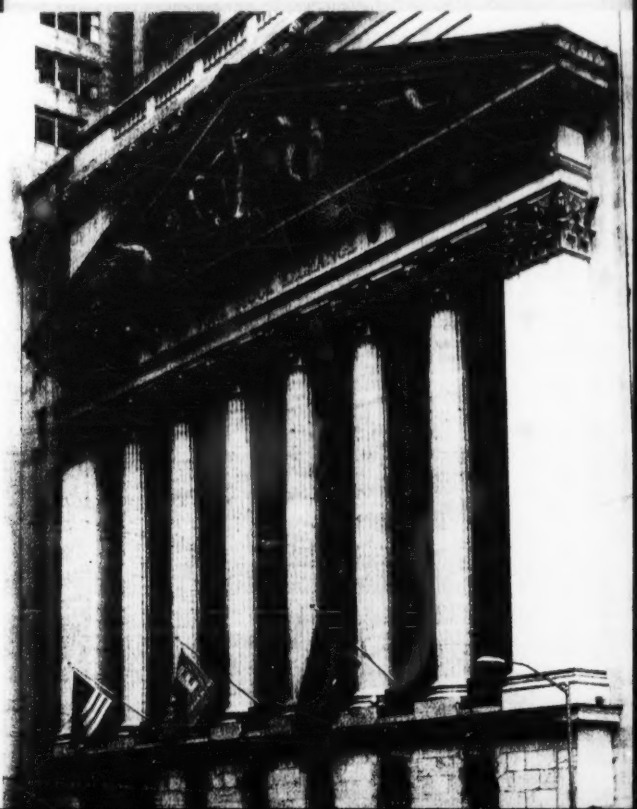
stock market savvy!

MX IN 49.

Main Change

www.mainXchange.com

BEST COPY AVAILABLE



* INDEX * BULL * BEAR * GAIN * LOSS *

WHAT IS MAINXCHANGE?

MainXchange is the exciting...real-time...educational...Internet-based game designed to teach teens how to invest in the stock market. With $100,000 in virtual money, students study and "invest" in real companies — learning investment strategies and money management skills — all in a safe, money-free environment. Best of all, it is **FREE.** Yes, great educational resources and...MainXchange and the Teacher's Guide are **FREE!**

LEARNING WITH MAINXCHANGE

Developed under the guidance of a prestigious educational advisory board, MainXchange and its companion Teacher's Guide are quickly becoming a favorite of teachers, school systems, and students across the country. The Teacher's Guide correlates to the national education objectives published by the National Council of Teachers of Mathematics (NCTM), the National Council of Social Studies (NCSS), and the National Council on Economic Education (NCEE). MainXchange can be integrated into classroom activities and the learning can continue at home as students share MainXchange with their parents and friends. MainXchange runs national stock market competitions that challenge individuals and student teams to compete for the highest valued portfolio. Notable sponsors have included Junior Achievement, NASDAQ and the New York Stock Exchange.

WINNING WITH MAINXCHANGE

In addition to enjoying an interactive, graphically stimulating game environment replete with real resource tools, like Hoover's Online, Quote.com, and CNN Interactive as well as information from MainXchange's "featured companies", players can earn exciting prizes that enrich the learning experience. MainXchange has artfully structured the game to reward savvy investors with valuable monthly prizes while allowing all investors (even those who are not yet whizzes) to earn "Xstars" that are redeemed for prizes. With MainXchange there are no losers and...learning and investing are risk-free and fun for everyone.

THE MEDIA *BUZZ*

"Tycoons in training receive investment advice...Unlike other online games, MainXchange isn't bloody. But it can be cutthroat." ***Newsweek (7/6/98)***

"Like real investors, MainXchange's members place buy and sell orders to trade stocks... MainXchange equips its investors with many of the same tools online trading services offer." ***Wall Street Journal (7/24/98)***

"...MainXchange teaches everything a youngster needs to know about investing in the market through a safe, easy-to-use and fun virtual portfolio." ***Washington Times (4/4/98)***

"...at MainXchange kids can parlay their investment prowess into prizes from sponsors ranging from CompUSA to Hasbro." ***Business Week (7/17/98)***

"Classes using MainXchange know how to pick a winner." ***eSchool News (9/98)***

"The MainXchange imbeds 'helps' to provide background information and support to both teachers and students as they broaden their knowledge about the stock market." ***Curriculum Administrator (9/98)***

"Pretend-invest the cyber way with MainXchange...sink $100,000 of virtual currency in real-life stocks like McDonald's and The Gap." ***Seventeen (1/99)***

Educational Mention and Awards

"New and notable" - *Technology and Learning* (9/98)
"Pick of the Month" - *eSchool News* (9/98)
"1999 Codie Excellence in Software Award Finalist"- *Best New Education Online Product* (12/98)

Visit us online: www.mainXchange.com
MainXchange, Inc., 2 North Dean Street, Englewood, New Jersey 07631-2807
Telephone: (201)569-4343 e-mail: classroom@mainx.com

MX

Main change

Stocks that *Rock!*

www.mainXchange.com

MainXchange
2 North Dean Street
Englewood, NJ 07631-2807
201.569.4343